House in building loan by RRBs in Bihar

2046. SHRI ASHIS SEN: Will the Minister of FINANCE be pleased to state:

(a) whether some Regional Rural Banks in Bihar have put embargo for House Building loan that a House cannot be built with the loan from the bank beyond municipal area or beyond the area of operation of the RRB;

(b) whether such restriction has been imposed by any sponsoring bank; and

(c) if so, whether such restriction can be imposed against the constitutional right?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) to (c). The information is being collected and will be laid on the Table of the House.

Declaration on suppression of abuse of Narcotics

2047. DR. SANJAYA SINH: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item appearing in the Economic Times dated the 14th February under the caption "Declaration or narcotics suppression signed·

(b) if so, what are the details of the agreement signed between the heads of Myanmar, Lotian and Thai; and

(c) whether Government propose to join these countries in fighting and suppressing drug abuse and if so, by when and if not the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Yes, Sir. The news item appeared in Economic Times dated 13th February, 1994. No details about the agreement signed between Myanmar, Laos and Thailand have been received.

(c) The Government of India have signed a bilateral agreement with Myanmar in March, 1993 to provide for exchanging informaion and undertaking measures in order to identify, suppress and prevent the criminal activities of International drug syndicates. India is a party to all UN conventions on Narcotic drug tnd Psychotropic Substances and also the SAARC convention on the subject.

Agreement with Germany for Concessional Loan

2048. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether any agreement has been signed with Germany which provides concessional loan to India;

(b) if so, what are the detals of the agreement and by when it is likely to be received; and

(c) what are the details of the project for which that loan has been taken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) and (b). Yes, Sir. An agreement has been signed between Government of India dna Government of FRG on 14-2-94 under which Government of FRG would provide concessional loan to the tune of DM 230.2 million to India. The loan would be available at an interest rate of 0.75 per cent p.a. and is repayable over a period of 40 years with a grace period of 10 years. The amount will be received afer the individual Financing Agreement for particular projects for which the amounts have been allocated are signed and as project implementation proceeds.

(c) Detals of the project for which the loan has been taken are as under: —

Project	Amount (in DM Million)
(i) NABARD-VI	30 0
(ii) Financial Structural Adjustment Programme	60.0
(iii) Fertiliser -III	60.0
(iv) Rourkela Steel Plant Modernisation	27.3
(v) NIC-I Expansion	37.7
(vi) SIDBI-II	15.2
TOTAL	230.2

Defrauding of Nationalised Banks

2049. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item reported in Times of India dated the 6th January, 1994 stating that a syndicate of cheats duped several nationalised banks to the tune of more thaan Rs. 5 crores, in what is named in banking circles as 'Babina' case;

(b) whether the banking authorities have since indentified the shortcomings in their operational procedure resulting in such frauds; and

(c) what preventive steps Government propose to initiate to curb such frauds in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) Reserve Bank of India (RBI) has intimated that State Bank of India and Central Bank of India have reported that in some of their Branches, frauds, involving a total amount of Rs. 131.99 lakhs had been perpetrated wherein the modus operandi is the same. No other nationalised bank has reported this type of fraud to RBI so far.

(b) Yes, Sir.

(c) In order to avoid recurrence of such frauds the banks have issued instructions to their branches to strictly follow the prescribed procedures in regard to opening, conduct and operation of newly opened accounts and ensure obtention of photographs of deposiors at the time of opening of new accounts as per RBI instructions. The branches have also been advised to strictly observe cautionary instructions in regard to verification of signatures on payment advices before acting on them.

Action against Auditor's firm for non-detection of irregularities by foreign banks

2050. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item reported in Economic Times of 15th February, 1994 that disciplinary process has been initiated against the firms of auditors involved in the irregularities committed by a number of foreign banks on ready forward deals with non-bank clients in non-SLR securities;

(b) if so, the names of such auditor's firms which failed to detect the difference in the year-end verification of